

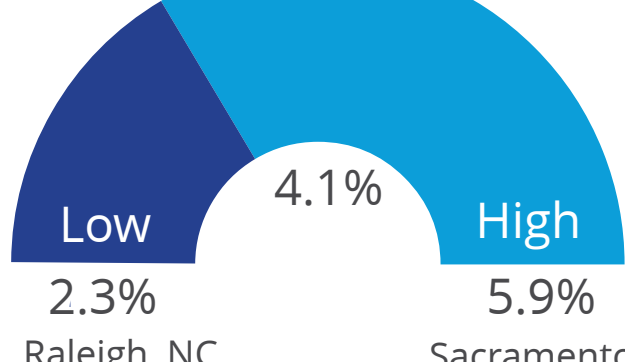
Vacancy Rate

The national retail vacancy rate dropped ten basis points during the third quarter and stands at 4.1%. A significant slowdown in move-outs contributed to continued demand growth across the U.S. retail sector, which has now recorded 11 consecutive quarters of positive net absorption.



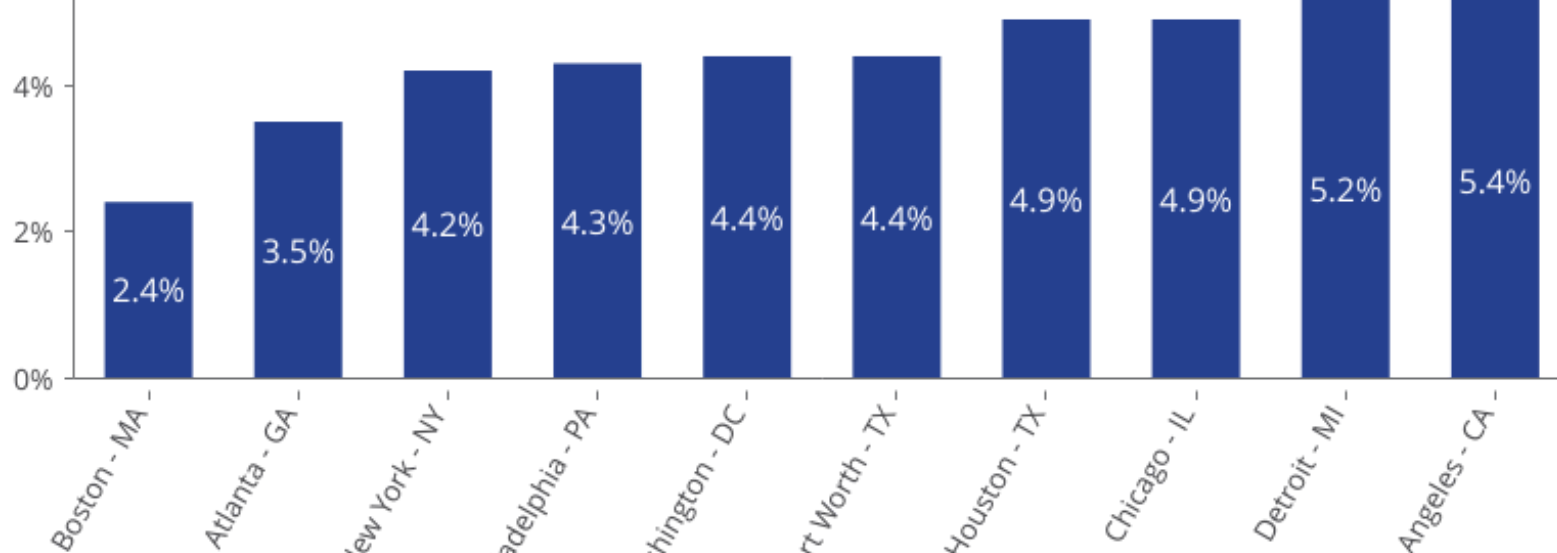
National Average

4.1%



Top 10 U.S. Metro Retail Markets

Vacancy Rates



Malls vs Shopping Centers



9.0%

Malls

No change from Q2 2023

4.9%

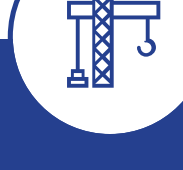
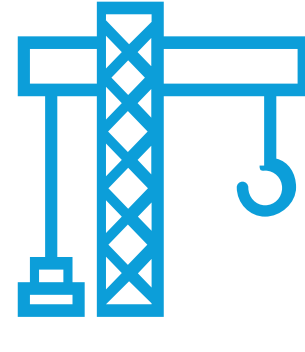
Shopping Centers

Down 10 bps from Q2 2023

Under Construction

60.2 Million Square Feet

Retail space under construction stands at 60.2 million square feet, with 7.9 million square feet of new retail space delivered in the third quarter. New construction has primarily focused on build-to-suits, grocery-anchored centers, and smaller retail spaces in large mixed-use projects.



Dallas-Fort Worth, TX

5.1 MSF



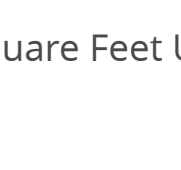
Houston, TX

4.4 MSF



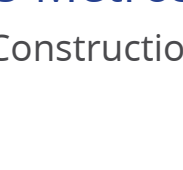
New York, NY

3.0 MSF



Austin, TX

2.5 MSF



Miami, FL

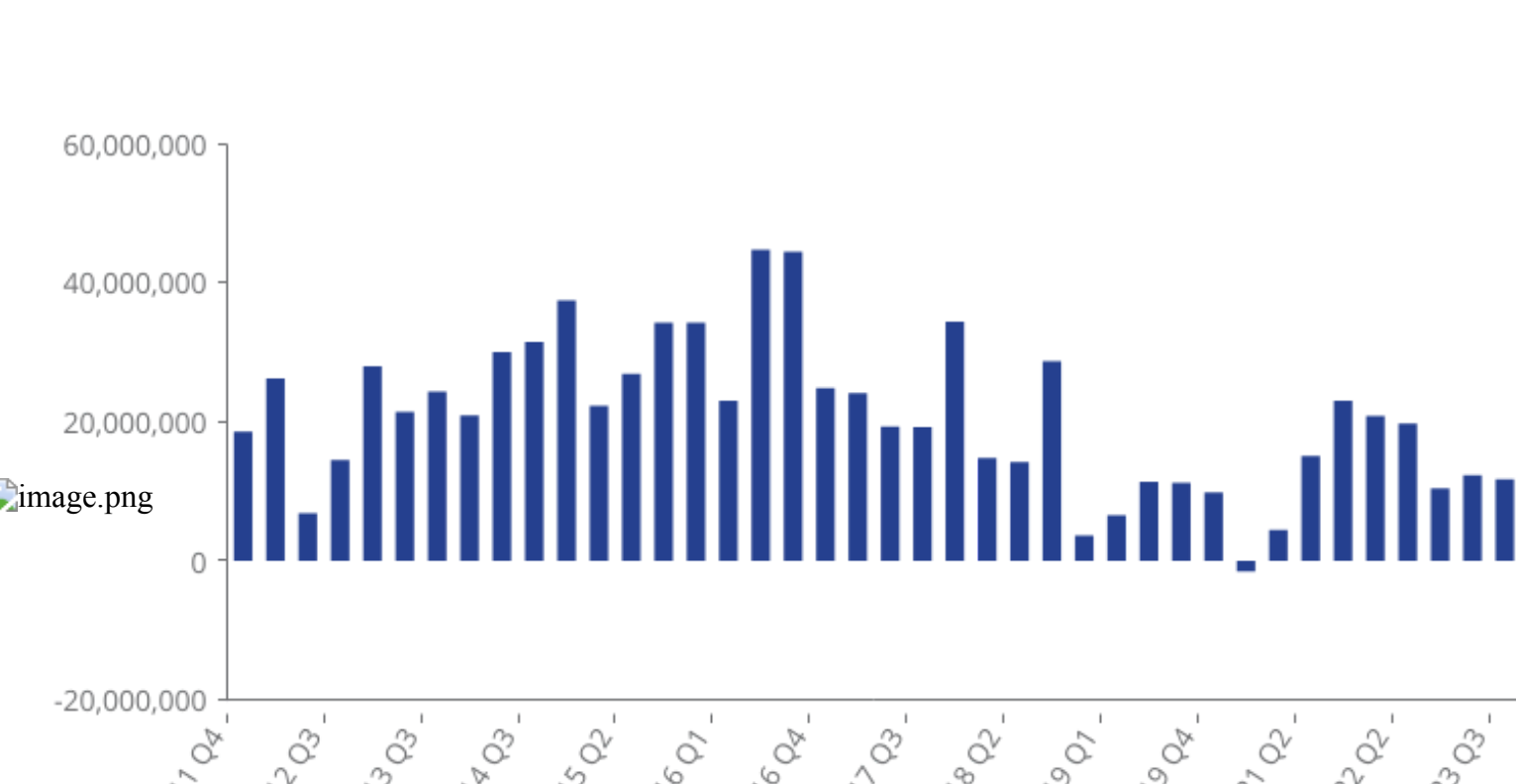
2.1 MSF

Net Absorption

11.7 Million

The retail market experienced 11.7 million square feet of net absorption in the third quarter. Propelled by record spending on restaurant sales, retail tenants in the food and beverage sector accounted for nearly 20% of all leasing activity over the past year.

U.S. Retail Market Historical Net Absorption



U.S. Retail Market Net Absorption by Property Subtype

-0.23 MSF

Malls

3.9 MSF

Shopping Centers

11.7 MSF

All Retail

Asking Rents

Average retail asking rents rose to \$24.47 per square foot in the third quarter, an increase of 1.03%. Significant variation in rental performance will continue, as fast-growing metros in the Southern and Western regions are expected to outperform other areas heading into the fourth quarter.

Overall NNN Rates



\$24.47/SF

Malls

\$32.88/SF

Up 0.8% from Q2 2023

Shopping Centers

\$24.06/SF

Up 1.0% from Q2 2023

Average NNN Asking Rates

\$49.45

Honolulu, HI

\$47.45

New York, NY

\$44.42

Miami, FL

\$43.86

San Francisco, CA

\$39.84

San Jose, CA

\$36.45

Orange County, CA

\$35.61

Los Angeles, CA

\$34.85

Palm Beach, FL

\$34.35

San Diego, CA

Sources: Colliers Research, CoStar Analytics
Statistics include the comparison of 390 retail markets across the United States.

For more information please contact:

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